

Frequently Asked Questions on the Supplemental Allotment, Activity Recast, and Strategic Plan Instructions

Expenditure Authority Schedule Questions

- **Should I be concerned that the fiscal year splits on the expenditure authority schedule are different than the splits shown in version 5F of the budget database or different than I plan to allot?**

It is not a problem for accounts that do not have fiscal year appropriations. In those cases, the expenditure authority schedule defaults to a 50/50 fiscal year split. If the legal authority is at the biennium level, agencies have flexibility on spending by fiscal year as long as it is consistent with legislative intent. The footnote on the EA schedule reports notes that the report shading indicates whether the legal authority is set by fiscal year or biennium. Agencies are not constrained by the non-shaded fiscal year amounts shown on the EA schedule.

Budget version 5F--Enacted budget with allocations--better reflects the fiscal year splits assumed in the budget. These fiscal year splits will be used for the activity recast. You should discuss proposed differences in fiscal year splits for allotments with your OFM budget analyst.

- **In some cases the amount shown in the bill for reappropriations is greater than the amount shown on the EA schedule. Why?**

In some cases the bill amounts for reappropriations were not adjusted to reflect actual expenditures already made. Section 912 of the 2005-07 capital budget (Chapter 488, Laws of 2005) states that reappropriations are "limited to the unexpended balances remaining on June 30, 2005, from the 2003-2005 biennial appropriations for each project." The enacted budget bill can increase or maintain a reappropriation amount; but the actual reappropriation amount available for the agency to spend is whatever was left unspent for that project at the end of the previous biennium. The EA schedule should reflect the correct amounts. If you have questions please contact your budget analyst.

- **I'm trying to compare the expenditure authority schedule totals with those in budget version 5F but they seem to be different? Is that a problem?**

Appropriated account amounts in Version 5F and the EA schedule biennial totals should match, although there will be differences due to rounding because Version 5F is in thousands and the EA schedule is in whole dollars. (When making your comparison be sure that you are including the allocation section of the EA schedule. Budget version 5F includes allocations and appropriations in other bills.) There may be some differences between nonappropriated amounts shown version 5F and the EA schedule. That is not a problem; we can make adjustments to the schedule to reflect what's in Version 5F if that is helpful.

Supplemental Allotment Questions

- **Are the items titled "Schroll Litigation Settlement" on the EA schedule and the item titled "Personnel Litigation Settlement" in the supplemental allotment instruction letter and budget version 5F the same?**

Yes. These should be allotted in FY07 as shown in budget version 5F.

- **Did other agencies receive an allocation for the Personnel Litigation (Schroll) Litigation Settlement?**

Yes. You can find a list of agencies receiving the allocation in document 2006-S11 on the Legislative Evaluation and Accountability Program website.

- **What job classes were covered by the lawsuit?**

At this time we do not have a list of the job classes covered by the lawsuit, but will send the list to agencies when it is available. If this information is not finalized in time for the allotment, agencies may find it best to put the full amount in one place in FY 2007, and then once the list is published, rearrange it in a quarterly allotment revision, if necessary

- **What fiscal year split do I assume for the Plan 1 Minimum Monthly Benefit item?**

These should be allotted in FY07 as shown in budget version 5F.

- **Are the amounts shown on the Plan 1 Minimum Monthly Benefit table whole dollar amounts or in thousands?**

These are whole dollar amounts. (Some are quite small.)

- **It's been a while since we've had to do an allocation like the Plan 1 Minimum Monthly Benefit item. Could you explain a bit more about how this works?**

The use of a special fund for these kinds of allocations makes it easier to budget for statewide adjustments with many funds sources than by making the individual fund adjustments in each agency budget. However it certainly is more complicated in the implementation. Here's how these allocations work.

- The legislature determines the GFS amount and the "all other accounts" amount for this item for each agency. The amount in fund 427 represents the amounts to be paid by non-GFS funds in total. Because the expenditure authority in the bill is granted in these two accounts (001 and 427), agency expenditure allotments must be made from these accounts.

- Fund 427, however, exists only to facilitate this allocation process. There is no fund balance in this account. Agencies must supply the revenue from their dedicated accounts (including GF-federal & Private/Local) to cover the expenditures in Fund 427 by making a transfer from the accounts listed in the supplemental allotment letter to Fund 427. Agencies must make a revenue allotment to reflect the transfer from the dedicated accounts to Fund 427 as well as a corresponding cash disbursement allotment from those dedicated accounts (not from Fund 427).

Please contact Monica Jenkins, 902-0561, if you need more assistance.

- **What revenue source code do I use for the revenue allotment related to the Plan 1 Minimum Monthly Benefit item?**

0626 Noncash Revenue Transfers - Compensation

- **I have some federal and private/local fund sources that will support the Plan 1 Minimum Monthly Benefit amount, but the EA schedule lists only a state appropriation type for fund 427. Won't this lead to a mismatch between private/local and federal type revenues and expenditures?**

Good point. The bill did not specify fund 427 allocations for private/local and federal fund types and thus they were not originally noted on the EA schedule. After further analysis of the bill language, we feel we can break down the total allocation into these component types. We will soon make adjustments to the EA schedule to reflect this.

- **Our agency has only a few Plan 1 members, and I'm not sure how to spread the funding for 6R Pension Plan 1 unfunded liabilities.**

Employers are charged the same contribution rate for all members of a pension system, whether they belong to Plan 1, Plan 2, or Plan 3, although employee rates differ. That rate is a kind of weighted average of the cost of the different plans. The funding for "Pension Plan 1 Unfunded Liabilities" in Recsum item 6R should be spread to cover a rate increase for all PERS, TRS, and SERS members.

Activity Recast

- **What is my "control" for the activity recast?**

The activity recast must match the account, fiscal year and FTE totals in Budget Version 5F. The recast is due April 14.

- **Do I need to recast dollars to the activity ZZZX - Other statewide adjustments?**

No. Please do not recast activity dollars to this activity. This was a temporary "activity" set up during the budget development process to capture statewide adjustments that we could not allocate to the real set of agency activities. The recast process is the time to assign those dollars to the correct activities in the agency's inventory.

Strategic Plan

- **Has the due date been changed to June 1 for all agencies?**

Yes.

- **Are business plans also now due on June 1?**

Yes